

the process of enlarging NATO. A number of countries, including Romania, Hungary, Latvia, Lithuania, and Ukraine have already asked NATO to dispatch missions to their capitals in order to receive further details on the process.

Russian reaction to these developments has been predictably sharp. Moscow's vocal opposition to NATO expansion could, ironically, further solidify support for membership in former Warsaw Pact countries and, perhaps, in some of the New Independent States.

Mr. Speaker, I urge the Administration to resist firmly any attempt by Russia to veto NATO expansion, in general, or the admission of any state or states, in particular. President Clinton should clearly communicate this point to President Yeltsin when the two meet next month in New York. It is my view that every state should be given the same chance to pursue NATO membership, including the Baltic States and Ukraine.

It is up to Russia to determine what, if any, relationship it is interested in pursuing with the Alliance. Mr. Speaker, the process of NATO expansion should not be further delayed as the Russians attempt to sort out their own affairs. Mr. Speaker, a democratic Russia has nothing to fear from the expansion of a voluntary defensive alliance founded upon democratic principles and norms of behavior. Russia has sown the seeds of mistrust through its brutal military campaign in Chechnya and it is up to the Russians to demonstrate that they can indeed be a reliable partner with the West.

STATE INFRASTRUCTURE BANKS— INNOVATIVE FINANCING FOR OUR TRANSPORTATION NEEDS

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 29, 1995

Mr. McCOLLUM. Mr. Speaker, today I have introduced the State Infrastructure Banks Act of 1995. This bill will provide new opportunities for State and local governments to finance vital transportation infrastructure needs.

This act gives States the option of creating State Infrastructure Banks [SIBs]. SIBs are infrastructure investment funds designed to provide States with a variety of financing options for infrastructure projects.

Traditionally, Federal transportation funding programs offer only one form of financial support—reimbursement grants. SIBs offer a new financial concept for funding transportation programs which cannot be accommodated within the structure of traditional Federal reimbursement programs. With traditional grant programs the Federal share of a project's costs is set, usually at 80 percent, and there are not alternative ways to finance the transportation projects. This act would allow States to transfer up to 15 percent of their federally apportioned transportation funds into SIBs. States would then utilize the SIBs to tailor the role of Federal funds to a project's needs. This is especially important when over time the project needs change.

In addition, SIBs would encourage innovative financing partnerships between the public and private sectors. Private financing sources are very interested in investing in public infrastructure. Unfortunately, the traditional Federal

funding requirements do not provide these potential investors with any opportunity. SIBs provide States with a range of loan and credit options for each infrastructure project. Such options may include low interest loans for all or part of a project, loans with interest-only periods in early years, construction period financing and more. Other potential investors may include the bond market, commercial banks, construction consortia, mutual funds, insurance funds and retirement funds.

Current funding approaches do not allow infrastructure development to keep pace with the private economy it is designed to serve. Historically, Federal transportation programs require that States obligate Federal-aid funds on a so-called pay-as-you-go basis. In effect, this requires that project sponsors have all the cash required to build a project available well before beginning construction. In private sector terms, this structure effectively dictates that States fully fund a project's costs with 100 percent government equity before construction begins. The sectors of the economy that depend on transportation do not wait until 100 percent equity financing is available before they begin development. As long as infrastructure financing practices are tied to the current rules, infrastructure investment can be expected to perpetually lag behind the economy's needs and demands.

By requiring the accumulation of all capital as equity in advance, traditional funding rules actually result in deferred reconstruction projects. This serves to drive up construction costs much more rapidly than inflation rates due to the increased rate of deterioration of the infrastructure. As a result, projects cost more than anticipated. Therefore, fewer projects can be undertaken.

Additionally, SIBs allow the States to leverage decreasing Federal funds. Historically, the Federal Government substantially underwrote the costs of new transportation projects often with reimbursement grants of up to 90 percent. Today, the Federal Government's share of investment in transportation infrastructure is estimated to be only 30–40 percent of total investment.

Leveraging is accomplished in the State Infrastructure Bank Act of 1995 by giving SIBs the option of using Federal funds as a capital reserve. The SIB may then borrow money in the bond market and establish a significantly larger loan fund. Another way of leveraging is to use the funds as a credit reserve for enhancement and support of privately financed projects by using reserve ratio accounting methods. This maximizes Federal dollars.

SIBs also maximize taxpayer dollars used for transportation in other ways. With SIBs, this same money can be recycled numerous times for making several different loans for infrastructure needs. Second, the initial Federal investment is expanded with each new loan when they are repaid with interest.

A modern transportation infrastructure is a critical element for creating economic development and job growth. Additionally, these improvements in our transportation networks generally enhance the quality of life for everybody. I believe the State Infrastructure Banks Act of 1995 offers solutions to the inherent problems of the current funding mechanism and better accommodates the needs of our Nation's infrastructure.

RENE ANSELMO TRIBUTE

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 29, 1995

Mr. RICHARDSON. Mr. Speaker, I want to ask my colleagues to join me in paying special tribute to a remarkable individual whose long and distinguished career can forever be a symbol of determination, perseverance and audacity. Mr. Rene Anselmo, who died earlier this month from heart disease, was not only the millionaire chairman of Alpha Lyracom Space Communications, operating under the name Pan American Satellite, but also made a lasting contribution to the Hispanic community by helping to create television's Spanish International Network [SIN], now Univision.

Reynold Vincent Anselmo was an energetic and restless young man who joined the Marines in 1942 at the age of 16, spend 3½ years as a World War II tail-gunner, and completed 37 missions in the South Pacific. After the war, he enrolled in the University of Chicago's Great Books programs and after earning a theater and literature degree in 1951, he moved to Mexico where he discovered an affinity for Hispanic culture.

In Mexico, Mr. Anselmo directed and produced television and theater shows, and in 1954 he started working for Mexico's largest media company, Televisa, selling its TV programs to other Latin American companies. His hard work and dedication attracted the attention of Mr. Emiliano Azcarraga Vidaurreta, the founder and head of Televisa, who in 1961 hired him to start up television's SIN, now Univision Two years later, Mr. Anselmo moved to New York to manage SIN and oversee the TV stations.

At that time, Hispanics comprised less than 5 percent of the U.S. population, and the only Spanish-language stations were on the UHF channels that most TV sets were not then equipped to receive. Mr. Anselmo, however, used his Mexican connections and experience to build the business. By 1984, SIN had 400 TV stations and cable affiliates and served the more than 15 million Hispanic people in the United States who represented the fastest-growing segment of the population. SIN provided an alternative to the U.S. media, which did not pay too much attention to the Spanish community or when it did, cast it in a less than favorable stereotype.

In 1986 SIN was under siege by the Federal Communications Commission, which claimed that SIN's ownership violated rules against ownership of United States networks by aliens. As a result, Mr. Anselmo abdicated his position in 1986 and separated from his old friend and partner Mr. Azcarraga. Instead of retiring, Mr. Anselmo founded Pan American Satellite Corp. [PanAmSat], the world's only private global satellite services company. To do this, Mr. Anselmo had to fight against steep odds to break the monopoly on satellite transmission of video images held by the International Telecommunications Satellite Organization, or Intelsat owned by 120 governments, including the United States.

Before Mr. Anselmo launched his satellite company, no one had challenged Intelsat's international monopoly. Today, PanAmSat handles a significant share of transatlantic news, transmissions by ABC, CBS, CNN and